

# EMPLOYEE OWNERSHIP IDEAS FORUM



## Ownership for Equity: Building an Inclusive Economy through Employee Ownership

June 15, 2023

### Description

A disproportionate share of women and people of color are employed in the lowest paying jobs in the US, struggling to meet basic needs, much less build any wealth. Long-term trends show households of color face a widening wealth gap when compared to white households. Employee ownership offers a potential tool to address the wealth divide, improve job quality and agency in the workplace for women and people of color, and help to build a more inclusive and fair economy.

In this conversation, speakers discuss how employee ownership can advance race and gender equity. It features a panel discussion with Melissa Hoover (Senior Fellow, Rutgers Institute for the Study of Employee Ownership and Profit Sharing; Founder and Co-Executive Director, Democracy at Work Institute), Robynn Cox (Assistant Professor, School of Public Policy, University of California, Riverside), Sean-Tamba Matthew (Shareholder, Stevens & Lee, SES ESOP Strategies; Project Director for the Rutgers-Kellogg Project at the Rutgers Institute for the Study of Employee Ownership and Profit Sharing), Evan Edwards (CEO and Executive Director, Project Equity), Jeanne Wardford (Program Officer for Family Economic Security, The W.K. Kellogg Foundation), Sarah Keh (Vice President of Inclusive Solutions, Prudential Financial), and moderator J.J. McCorvey (Business and Innovation Reporter, NBCNews). For more information about this event — including video, audio, transcript, speaker bios, and additional resources — visit: <https://www.aspeninstitute.org/videos/ownership-for-equity-building-an-inclusive-economy-through-employee-ownership/>

### About

This discussion took place as part of the Employee Ownership Ideas Forum, co-hosted by the Aspen Institute Economic Opportunities Program and the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University. This two-day event brought together leading policymakers, practitioners, experts, and the media for a robust discussion on how we can grow employee ownership for the shared benefit of American workers and businesses. Learn more at [as.pn/eoforum](https://as.pn/eoforum).

The Aspen Institute Economic Opportunities Program advances strategies, policies, and ideas to help low- and moderate-income people thrive in a changing economy. Learn more at [as.pn/eop](https://as.pn/eop).

The purpose of the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University is to study the various models that have emerged and will emerge of employee ownership shares and

profit shares in the corporation and society of the United States and around the world. Learn more: <https://smlr.rutgers.edu/faculty-research-engagement/institute-study-employee-ownership-and-profit-sharing>

## Speakers

### **Robynn J.A. Cox, Ph.D.**

Assistant Professor, School of Public Policy, University of California, Riverside

Dr. Robynn Cox is an assistant professor in the School of Public Policy at the University of California, Riverside, NBER research economist, senior scholar at the Federal Reserve Bank of Minneapolis' Opportunity & Inclusive Growth Institute, and faculty affiliate at the Presley Center for Crime & Justice. Her expertise is centered at the intersection of the criminal legal system (CLS) and inequality. She is concerned with understanding barriers faced by marginalized communities, with an emphasis on those disproportionately faced by the Black community, as well as the systemic/structural/institutional factors that have led to the social exclusion of marginalized groups. Specifically, her research has focused on understanding the social, economic, and health consequences of mass incarceration policies. Her work is centered on an aspect of the Black American experience – interaction with the criminal legal system – that is pervasive and has an impact on almost every facet of life for this community.

An interdisciplinary scholar, Cox's research and publications include the topics of crime, housing, labor, aging, and health. She has published in various journals. Cox was selected as a Wawa Fellow and Kelso Fellow at the Rutgers School of Management and Labor Relations' Institute for the Study of Employee Ownership and Profit Sharing. Cox is a member of the advisory committee for the National Academy of Medicine's Culture of Health Program (CoHP) and has previously served as an elected board member of the National Economic Association (NEA). Prior to her appointment at UC Riverside, Cox held faculty appointments at the USC Suzanne Dworak-Peck School of Social Work and the Economics Department at Spelman College. She was also a postdoctoral associate in the Department of Economics at Duke University. She earned her master's and doctorate degrees in economics from Georgia State University, where she was awarded the Andrew Young Fellowship. Cox completed her undergraduate studies at Duke University, where she obtained her AB in economics and Spanish and Latin American studies.

### **Melissa Hoover**

Senior Fellow, Rutgers Institute for the Study of Employee Ownership and Profit Sharing; Founder and Co-Executive Director, Democracy at Work Institute

Melissa is the founder and Co-Executive Director of the Democracy at Work Institute, which expands worker ownership as a strategy for people locked out of good jobs and business ownership. Under Melissa's leadership, DAWI helped incubate the \$58 million Legacy Fund, and partners with A&H Capital to provide organizational development consulting and impact metrics support to employee-owned portfolio companies. Melissa is an Executive Fellow of the Rutgers Institute for the Study of Employee Ownership and Profit Sharing, and she advises nonprofits, investors, foundations and policymakers on effective interventions to support employee ownership as a tool for racial and social equity. Melissa helped start and grow the US Federation of Worker Cooperatives, the national grassroots membership organization for worker-owned businesses; she got her start as a cooperative business developer in the Bay Area, helping launch and grow several successful cooperative businesses. She holds a B.A. in History from Stanford University.



## **Sean-Tamba Matthew**

Shareholder, Stevens & Lee, SES ESOP Strategies; Project Director for the Rutgers-Kellogg Project at the Rutgers Institute for the Study of Employee Ownership and Profit Sharing

Sean-Tamba Matthew is a shareholder of the law firm Stevens & Lee and also works with its affiliated business, SES ESOP Strategies. He advises companies, business owners, boards of directors, and employee stock ownership plan (ESOP) trustees on transactional, corporate governance, and formation matters related to the design and implementation of ESOPs. Sean is a frequent guest speaker on a range of ESOP-related issues.

Sean is also a Kellogg Fellow at the Rutgers School of Management and Labor Relations. There he coordinates the Institute for the Study of Employee Ownership and Profit Sharing's W.K. Kellogg Foundation program, which helps minority and female business owners and their advisors learn about employee ownership transitions. In addition, Sean is a member of the board of directors of Empowered Ventures, an ESOP-owned holding company headquartered in Indiana, an advisory board member of Talley Management Group, an employee-owned company based in New Jersey, and a member of the executive committee of The ESOP Association's Public Policy Council. Sean was named among the 2021 Greater Philadelphia Region's "40 Under 40" honorees by the Philadelphia Business Journal. He received his J.D. from Temple University Beasley School of Law and a B.A. in Political Science from the University of Pennsylvania.

## **Evan Edwards**

CEO and Executive Director, Project Equity

Evan began his career as the International Business Manager at an early leading technology start-up, Quarterdeck Corporation. Bitten by the start-up bug, he spent following years in leadership and consulting roles at a variety of early stage enterprise including Bid.com (Northcore Technologies), Mediaseek Technology and Planesia Corp. Guided by a shift in personal and professional priorities, Evan moved into the non-profit sector as Executive Director at YMCA Corporation of Los Angeles, leading the turnaround of an under-performing business unit. Driven by the value of social enterprises and the vision of a generative economy, Evan's work with Project Equity creates strong collaborative partnerships across sectors. Evan is a graduate of Northwestern University in Evanston, IL (a proud supporter of Wildcat football!), and has certification from Stelter in Professional Fundraising Management. When not working he's playing sports, walking his dogs or cooking a great meal from scratch.

## **Jeanne Wardford**

Program Officer for Family Economic Security, The W.K. Kellogg Foundation

Jeanne Wardford is a program officer for Family Economic Security at the W.K. Kellogg Foundation in Battle Creek, Michigan. In this role as a member of the Family Economic Security team, Wardford is responsible for advancing employment equity and business enterprise development focused policies, practices, strategies, and opportunities for effecting positive systemic change within communities aimed at creating conditions in which children can develop, learn, and grow. She works closely with staff to ensure integration and coordination of efforts.

Jeanne has dedicated her life to working for the betterment of individuals both in the public and private sector. Over the last two decades, she has held several positions of progressive leadership in both the public and private sector. Her interest has always been working to develop young people and

the communities in which they live. Throughout her career, she has been recognized for her ability to get to the root of the problem and recommend fair, equitable, and oftentimes innovative solutions to age-old problems. She is known for her vigorous policy work and advocacy for children and families.

Prior to joining the foundation in 2015, Jeanne was director for national partnerships at NeighborWorks America in Washington DC. In this role, she built strategic collaborations with public and private investors and secured resources for the implementation of a national asset development program, which included financial education, literacy, coaching, and community development strategy. She has also worked in community development, fund development, and evaluation consulting for TaylorMade Consulting, Inc., where she worked with public, private, and academic sectors and their funding partners. Jeanne's leadership in support of education, racial equity, and economic development is reflected not only in her day-to-day activities, but also in her membership on a variety of boards, including the Detroit Public Library Foundation; the Center for Community Progress; Warrior Women, a project of the Michigan Women's Foundation; the National Women's Business Council; Bowie State University Dean's Advisory Council; and FAMU School of Allied Health Advisory Board.

### **Sarah Keh**

Vice President of Inclusive Solutions, Prudential Financial

Sarah S. Keh is a vice president of Inclusive Solutions at Prudential Financial. In her current role, she leads strategic philanthropy and partnerships to help advance the company's purpose and commitment to inclusive economic growth. She oversees philanthropic grants, business integration partnerships, and employee community engagement programs to expand work and wealth opportunities for financially vulnerable populations, build inclusive and equitable communities, advance racial equity and justice, and support disaster response and recovery efforts. Sarah currently serves on the board of JerseyCAN, the Devils Youth Foundation, and on the investment committee of PGIM Real Estate's Impact Value Partners. She holds a bachelor's degree in psychology from Wellesley College and a master's degree in education from the Harvard Graduate School of Education.

### **J.J. McCorvey (moderator)**

Business and Innovation Reporter, NBCNews

J.J. is a business and innovation reporter at NBC News where he focuses on socio-economic disparities and the ways in which business and money affect the day-to-day lives of Americans. Prior to joining NBC, he was a personal finance reporter at The Wall Street Journal, where he reported on inflation and was a writer for the Young Money column. A graduate of Tuskegee University, J.J. previously covered topics including business, tech and marginalized communities for Inc., Fast Company and Entrepreneur as part of multiple ASME-award winning teams. He is a 2019 Best in Business honoree for the Society for Advancing Business Editing and Writing.

## **Transcript**

### **Maureen Conway (00:00:00)**

So we are going to have our next panel ownership by equity. This next conversation on race and gender equity and employee ownership highlights why so many of us care so deeply about employee ownership and want to see succeed because there's enormous potential in employee ownership to

help create an inclusive economy that works for all. And I just want to give a shout out to a couple of things. One, we did a round table that resulted in a paper on this topic a few years ago that we did in collaboration with Democracy at Work Institute and the Rutgers Institute. And I also really want to recognize the foundational research that Gene Watford and the Kellogg Foundation supported to really highlight this issue and investigate how employee ownership can really advance racial equity. So just a couple plugs there. And our panelists and speakers, of course, we'll highlight this and we have a remarkable set of speakers for this important topic.

Now I have to skip over a couple of things just to get to again, what we're going to do here is have two openings in Institute Fellows to give some brief remarks about their perspective on this topic. And then I'll come back and invite the panelists to the stage. But our first speaker is Melissa Hoover. Melissa is the founder and co-executive director of the Democracy at Work Institute. She's been an inspirational, this is true and incredible leader in this work, helping to expand worker ownership as a strategy for people locked out of good jobs. She advises nonprofits, investors, foundations, and policymakers on effective interventions to support employee ownership as a tool for racial and social equity, and helped start and grow the US Federation of Worker Cooperatives. So Melissa, delighted to welcome you.

### **Melissa Hoover (00:02:01)**

Thank you. Hi. Good morning. So I'm going to start with maybe an obvious statement, which is that the questions we ask shape how we do the work in the field, and in fact, how we can do the work in the field. So we know employee ownership is good for companies. We know it's good for workers, there are clear impacts on job quality, asset ownership. We have data, we have stories. And as we heard yesterday from lawmakers on both sides of the aisle, we know that story is compelling. I don't know how you argue against ESOPs, it just makes sense. It can fulfill any talking points. Those are powerful statements from an elected official, but something else is happening in recent years. And I want to start by mentioning three critical and very recent interventions in the field that position employee ownership as a lever to increase race and gender equity. So the first is a 2017 study by Dr. Nancy Wiefek at the National Center for Employee Ownership. She's here and I would encourage you to follow up with her about this research. She's in the back. Hi Nancy.

So this is the first study of its kind. It compares thousands of young employee owners of color in ESOPs to non-employee owners in 1997 and following them to 2013. And she found employee owners of color in this data have 30% higher income from wages, 79% greater net household wealth, 36% longer median tenure in their current job over non-employee owners of color, so a longitudinal study. Really groundbreaking, followed two years later by the Rutgers study on how people of color, especially women do in ESOPs. It is a multi-year mixed method study with participation from scholars across the country. There were a bunch of findings from this, but one that stood out to me was the media and ESOP account value was nearly 10 times the savings of the average American household. And these are low and modest wage workers.

So both of those projects were funded by the Kellogg Foundation, who will hear from later today on the panel. And as far as I know, that was the first funder intervention in the space to fund foundational research about racial equity and gender equity. And then as Maureen mentioned in 2021, the Aspen report on race and gender wealth equity and the role of employee share ownership came out and furthered the conversation the same year that essentially the pandemic continued making our case for us. So these studies have profound findings, but from my view, maybe the most profound thing here was even asking the question. It opened up all sorts of new possibilities. And the first step is knowing that there are equity effects from employee ownership. Measuring impacts helps us make the case. It helps inform policy and advocacy and funding. But the next step is to design for equity to intentionally amplify these known equity effects. So how does research help us do that from a practitioner perspective?

I'll briefly use the Legacy Fund at Apis & Heritage Capital as a case study to show three design elements. It's just one of the many exciting experiments out there now. So I'll encourage you to follow up with some of the others too. But looking at the Legacy Fund, so first, an equity lens helps us allocate resources intentionally. A&H raised 58 million from investors, all of whom explicitly wanted to invest in racial equity for low wage workers. It's also the screen for the companies the Legacy Fund invests in. They transition companies in essential industries with majority workforces of color and low wage workers. So there's an allocation component.

Secondly, a racial equity lens helps us design supports at the company level that are culturally competent and meet workers' needs. So I want to mention here the Employee Ownership Online Education Program, also funded by the Kellogg Foundation, a set of videos. And you'll see why this is particularly relevant for our work in a minute. We work with companies where workers are bilingual, where a decent percentage, may not read very well. So the traditional written materials are not relevant for them and not accessible. So we do popular education. We do videos in building employee ownership culture.

A couple other design supports at the company level. We look at benefits for people whose lives are balancing multiple other priorities, childcare, elder care, transit access. There's an intentional lens that needs to take place to design benefits for people balancing those priorities. In some of the companies, and this isn't even the good companies that the Legacy Fund invests in. Trust is sometimes in short supply for workers who have run into glass ceilings who face discrimination on the job and throughout their lives who've had their career pathways cut off.

So we can't automatically assume trust and buy-in to the ESOP. And relatedly agency, worker engagement, education and voice is more than showing people the material reward of their work and then expecting that to generate more work. There's a component rewiring the fundamentals of the traditional command and control workplace structure. So there's deep work to be done in shifting the culture in Legacy Fund companies with a racial equity lens.

The third element of a design for racial equity is to build an ecosystem of support. So we're identifying the supports that are needed and are even available to these companies. We know several organizations in the field have identified MWBE programs that need to be reconsidered to account for employee ownership and other shared ownership forms. In the Legacy Funds case, both of our companies bid public sector contracts and there's a procurement preference question. There's a question about employee ownership and the ESG guidelines that might open up all kinds of opportunities for companies. Those are ecosystem questions. That's just a brief sketch of the way we think about race and gender equity at the company level and the broader level. I'll just wrap up.

So do ESOPs work? Why aren't there more ESOPs? We had to ask these basic questions early in the building of the field, and we still need to, as we've talked about several times, and we need to refine them and keep asking them. And now we can ask even deeper questions. What are the impacts of ESOPs for workers? What are the impacts for workers of color for women and low wage workers? What supports are needed to realize these impacts? And I suspect the seeds to the answer of that first set of questions, the basic questions, may actually be in the very asking of the second set of questions and those themselves raise more questions. What is a racial equity informed approach due to the bipartisan appeal of ESOPs? What is the role of philanthropy and finance in building an ecosystem of support? What is the role of the public sector in supporting employee ownership, broadly, ESOPs and worker cooperatives as a tool for increasing equity?

So what I want to say to researchers here is that your research matters. We in the field use your research to move resources, to move policy, to shape our work, to design systems of support for enterprises and to directly benefit workers. Your work is directly beneficial in expanding the form, and I look forward to hearing more about it. Thank you.

**Maureen Conway (00:09:58)**

Great. Thank you, Melissa. And now I'm going to briefly introduce our next fellow remarks. I did want to mention briefly that there is a QR code on your agenda and we're doing brief introductions so you can learn more about the speakers if you look at that bio information that you'll find by using the QR code. Okay.

So I'm really thrilled to introduce Robynn Cox. Robynn is an assistant professor in the School of Public Policy at the University of California Riverside, an NBR Research economist, senior scholar at the Federal Reserve Bank of Minneapolis Opportunity and Inclusive Growth Institute and faculty at the Presley Center for Crime and Justice. She has significant work in the area of the Black American experience and their interaction with the criminal legal system. And her research and publications are too long to list, which is why I mentioned that QR code. So you can learn more about her and her research. So Robynn, really thank you very much for being here today. And I turned [inaudible 00:11:03].

**Robynn Cox (00:11:08)**

All right. Thank you for having me. Can everyone hear me okay? Great. I did have PowerPoints that I think they'll be able to distribute to you at some point, but I wanted to come up and specifically talk about employee ownership and its potential impact on marginalized communities and economic equity. So I think just in general, you've probably heard a lot about where income and wealth inequality have come from and how it's increased for everyone actually since about the 1970s. So part of what has driven wealth inequality has been differences in the returns to capital relative to labor, and then in income inequality. The difference between the top 10% relative to everyone else has really been the result of really large payments to managerial labor. And then if we dwindle down further with the 99%, there's been some inequality that's increased there in terms of income that has been the result of skill bias, technological change, as well as polarization of the labor market where individuals who earn high wages are able to access high quality jobs and individuals with low wages are only able to access low quality jobs.

And I bring that up because employee ownership actually has a quality component to it. When you think about not only that it can potentially increase earnings, it can increase capital accumulation, but then also it increases access to some of these other non wage benefits that Melissa brought up in terms of childcare and educational benefits for employees. So that's why I also bring that up. However, when we talk about racial equity... I'm going to focus a bit on racial equity. We have to consider that racial equity is actually structural. So this is a gap that has been around since emancipation. So Duran Court at all has some work where they estimated after emancipation, the racial wealth gap was approximately 60 to one White to Black. And then over the years it's converged so that today it's about six to one. But there's just been this persistence in the racial wealth gap.

So Blacks hold one six of the wealth of white Americans today, according to their estimates, the drivers of the racial wealth gap are largely structural again. So historical disparities in wealth as a result of historical institutional policies such as slavery, as well as policies and other structural barriers that have created unequal endowments, which are starting points for wealth as well as conditions for wealth accumulation. So those conditions for wealth accumulation bring me to the work that I do in terms of incarceration, which I'll get to in a little bit. But just wanted to just highlight again the importance that work also found that we need a multifaceted approach essentially to close the racial wealth gap. Not only do we need something like reparations to do so, but we also need policies that address differences in savings or how we invest in terms of capital versus having the majority of our assets in our homes.

And then also racial income inequality as well. The racial earnings gap is also important in closing that. So it's interesting because employee ownership. So I've done work with ESOPs, if you think about it,



addresses two of those things at one time in terms of the research, it's been found to increase earnings. And Melissa has already talked extensively about that research by our colleagues, Boggoson Bryce, Conway et al here at The Aspen Institute, as well as Nancy Wiefek in the back there. She's done work on this as well, where we've found that employee ownership, it can address the racial wealth gap. So part of the way that it does that is that it can shift the composition of wealth portfolios by increasing access to capital ownership in marginalized communities. And it's also increased earnings in marginalized communities as well. So that's also really important.

Now, the Institute for the study of employee ownership in their study funded by the Kellogg Foundation as well, they found that it significantly increases the median wealth of African Americans, and Latino women, as well as White women. So it has this potential to increase wealth among these marginalized communities, although they do mention that there's still more work that needs to be done in terms of understanding how to close that wealth gap.

So in terms of some of those institutional policies that impact asset accumulation, one of them is incarceration, which is why I wanted to look at the impact of employee ownership on formerly incarcerated individuals. The other is that incarcerated individuals are disproportionately from marginalized communities, especially if we look at historically oppressed groups like American Indian and Alaska natives as well as African Americans. If we look at their rates of imprisonment, there're about five to one relative to Whites for African Americans and four to one relative to Whites for American Indian, Alaskan Natives. And some work by Samrado have found that incarceration can impede wealth accumulation assets.

So this is also very early research in this field in terms of understanding the effects or the associations between incarceration, which there have been historical disparities in terms of marginalized communities, especially given it's link to recouping labor from slavery and Native Americans. So it's important to understand what's the role of ESOPs here in addressing these issues. My research has actually found that individuals who are employed, who are formerly incarcerated, who work in an ESOP, when I compare them to individuals who don't, their earnings increase by about 25%, their hours worked per week increased by about 9%, and importantly, they have decreased in recidivism.

So arrest rates decrease by nine and a half percentage points convictions by 11 percentage points, felony convictions by three percentage points and incarcerations by 12 percentage points. And then I did some disaggregation by race, and a lot of that is driven by African Americans, it's impact by improving the recidivism outcomes of African Americans. So I'm wrapping up here, I'm out of time.

So what's next? What's next is that we have a lot of work to do to understand what role employee ownership plays in addressing some of these historical injustices and marginalized communities. So one of the things we want to understand, we need to understand more what impacts the access to employee ownership for these communities as well as does employee ownership replicate inequalities we see in greater society or do they improve them? So these are some questions that we need to think about a little bit more. So I want to thank you for your time. If you have any questions, I'm here to answer them. Thank you.

### **Maureen Conway (00:20:15)**

Thank you, Robynn. And yeah, it's a lot to cover in a little bit of time, but really appreciate you sharing your work with us today. I want to welcome our panel to the stage. Now again, I'm just going to do a quick names to faces as they come up. So on the panel we have Sean-Tamba Matthew, Shareholder Stevens & Lee SES ESOP Strategies, project director for the Rutgers Kellogg project at the Rutgers Institute for the study of employee ownership and profit sharing. Yet a nice long title to give you time to walk up here.

Evan Edwards, CEO and executive director, Project Equity. You have to be a little faster. Jeanne Wardford, program officer for Family Economic Security at the W.K Kellogg Foundation. Sarah Keh, Vice President of Inclusive Solutions, Prudential Financial. And we're delighted to have with us today J.J. McCorvey to guide the conversation. J.J. is a business and innovation reporter at NBC News where he focuses on socioeconomic disparities and the ways in which business and money affect the day-to-day lives of Americans. Again, you can find out more about him on our website, but thank you so much J.J., and I'll turn it over to you.

### **J.J. McCorvey (00:21:31)**

Awesome. Thank you for having me. Very happy to be here. The last time I was invited to moderate a panel for Aspen, I got strep throat and I had to cancel. So I'm very happy to demonstrate that I can speak now. So as we get started, I just wanted to just say a few quick remarks. I'll start by saying that I've just been very motivated by the work that the Economic Opportunities Program and Rutgers employee ownership researchers puts out regularly. I'm a business reporter who sits at a lot of different intersections. I'm Black, obviously, also a member of the LGBT community, also raised in the poorest state in the country. So I'm always sniffing out these opportunities to write about how capitalism can be used to create more equal footing for marginalized communities.

And Dr. Blasi and Maureen, I just want to thank you for making it just a little easier to do that right, and making your research accessible for reporters like me. So I'd like to first talk about our panelists. If I could just get you all to introduce yourselves. I'll start with you, Sean, if you want to just talk about what you do and also the importance of employee ownership in your work.

### **Sean-Tamba Matthew (00:23:00)**

Great. Well, thank you J.J. And thanks to The Aspen Institute and to Rutgers for hosting this great event. I am part of a team at SES ESOP Strategies of attorneys and investment bankers that do ESOP work throughout the country. And I'm incredibly fortunate to be on the team that's very mission oriented. As an attorney, we've got lots of client matter numbers. We've got one that's dedicated to building out the employee ownership space or employee ownership mission invoices that come in every once in a while.

As part of that work led by our founder, Jim Steiker and the many things that he's done over the years, including working with the employee ownership exchange, part of that work and what I do is working with the Kellogg Foundation's project at Rutgers on employee ownership education. And that project is directed towards trying to help business owners from underrepresented communities. So we were talking about women business owners, minority business owners, and helping them learn about employee ownership transition options so that they are aware that there's another lever that they can pull when it's time to think about exiting their business.

So over the past few years, what we've been able to do is to bring in people from the minority business advisor community to come in and talk about what employee ownership is on these panel, on this various videos that we've put online. We're looking forward to expanding that over the next several weeks. We actually recently got a commitment from WeBank, which is a women business certification organization, to do a panel to talk about their employee ownership, certification process. What that means to steps to doing that to help really promote and help build the understanding of what a transition to an ESOP might look like for a business that is a woman-owned business.

So very grateful for this. Like I grew up in probably the poorest municipality, state of Ohio. Employee ownership to me means creating opportunities for my friends and neighbors who didn't have a chance to necessarily invest in the business or start their business or whatnot. That's what drives this work. And to

be able to work on the Kellogg project and be able to work on the projects like the Apis & Heritage Capital Partnerships, Legacy Fund one is for me a blessing that I get to pay it forward in a way that has real material impact and will hopefully grow and expand as other folks throughout the employ ownership space do more of this work.

**J.J. McCorvey (00:25:58)**

I want to skip over to Evan. So Evan, even though we're at record low unemployment right now, a lot of folks built up savings during the pandemic. We learned Black wealth is still just a fraction when compared to white wealth, as we just heard a few minutes ago. According to the Federal Reserve in 2019, the median wealth of White households was about \$190,000 while Black families were at about 24,000, Latinx families were at 36,000. So given that context, can you talk about Project Equity and its purpose and approach and just how you think it can play a role in increasing racial equity?

**Evan Edwards (00:26:41)**

Sure, I'm happy to. Thank you very much. Many of you're familiar with Project Equity. We're a national nonprofit organization and our mission is twofold. We are intent on leveraging and employee ownership as a wealth building strategy for communities of color and low and modest income workers at large. The other key aspect of our mission work is seeing to it that employee ownership is embedded in the national business ecosystem, such that employee ownership transactions happen as a means of the normal M&A cycle in the country.

To that first aspect of our work, we saw what happened during the pandemic and we know all the data about the racial wealth gap. What we've done is been very intentional about addressing that wealth gap by launching our Black employee ownership initiative. This work sees us partnering with Morehouse College, Atlanta Wealth Building Institute, the city of Birmingham, Alabama, Chicago, partnerships in South Florida. And this work is intended to see us build pipeline such that we are identifying businesses that have a density of Black workers, oftentimes owned by Black folks.

We know that there's a correlation between Black business ownership and density of Black workforce and sees us developing not only the pipeline, but also embedding employee ownership in Black business ecosystems. That's really important because at Project Equity, we've done the work of identifying opportunities to build out employee ownership knowledge in the broader business ecosystem. But in doing that work came to understand that some of the strategies that we employed weren't necessarily being impactful of Black workers. So we've centered the work primarily in the South. Atlanta is a hub for Black businesses in the country. Birmingham has 75% Black workforce in that city. It's one of the reasons we chose that city, and I could go on. But towards addressing this inequity, we found that it is really important for us to sharpen our focus so that we are being very intentional in terms of addressing Black workers.

**J.J. McCorvey (00:29:32)**

Awesome. Thank you for so about their project, I definitely wanted to ask about that. I want to go over to Sarah. Hello. Tell us about yourself and why Prudential Financial has decided to support employee ownership and how does it fit into your overall mission and strategy?

**Sarah Keh (00:29:52)**

Yeah, thank you so much J.J. And thank you to Aspe Maureen, Joe and Rutgers for hosting this event. Some of you heard me speak yesterday, but I always like to ground why Prudential does this work and its founding story. So we were founded over 148 years ago in the city of Newark, New Jersey. And we were founded because our founder, John Dryden saw a societal need, which was that working class families didn't have the financial means to bury their loved ones. So our first product was burial insurance. It costs as little as 10 to 15 cents a week. And at the time he created an inclusive market that unlocked both commercial and societal benefits. So that is exactly where Prudential looks at the intersection of where society and business where we can create that value. So we're looking at how do we expand wealth building pathways, particularly for people of color who have been historically shut out of those opportunities.

So we look at it from a range from place-based strategies. Obviously we're founded and we're still headquartered in Newark, New Jersey. We look at it through income and quality jobs, but also financial tools and pathways that create and sustain wealth for individuals. And employee ownership is an important component of that because it's looking at how do you preserve and keep assets and commerce in communities? How do you build individual wealth, community wealth that ultimately has that impact on society and the economy at large?

And particularly for people of color, we know that businesses, whether they be small, medium to large, I think the last percentage I saw is only 2.3% were owned by Black workers or were Black owners. So that in and of itself tells you there's a huge inequity in there. So looking at employee ownership as a way to help create ownership opportunities and pathways to really help build that wealth, but also to develop the financial health and wellbeing of these workers as well too. Because when you go through this process, you really have to educate the workers on what do your company performance mean? What do revenues and expenses look like? How does that impact you as an individual? So we look at it from a very holistic way that this is about that individual person's wealth, but also the company's performance, which we know increases. We have higher productivity, higher employee satisfaction, and then ultimately how that looks at towards the community, the family, and then intergenerationally, how does that pass down from family degeneration to the next?

**J.J. McCorvey (00:32:10)**

Awesome, thank you. And lastly, Jeanne, the Kellogg Foundation was an early investor and supporting employee ownership. So what made you excited about the possibilities then and what has kept you interested since then, particularly given where we are now, what the lack of worker economic security?

**Jeanne Wardford (00:32:36)**

Thanks J.J. I'm really excited to be here. I want to first want to just give you a little context because many of you know the Kellogg Foundation for our work with children. And that's really what we're concerned about is that how do we create environments for children to thrive? So when I came to the foundation about eight and a half years ago, they were really then began focusing on family and economic security because children don't take care of themselves. So my first day on the job, I was given citizen share to read, and it was so needless to say, Joseph and I had some very interesting conversations about this whole thing about employee ownership. And my question to him was, is that, "I don't think that it will work." And he said, "Well, yeah." And I said, "Okay. Well let's see." So here we are today.

And that really was the conversation that began us down this road to say, we have to answer these questions. So the research that you have been doing really has helped to really begin to mobilize and

gain momentum around employee ownership. So our investments really were around saying is that this traditional wealth structure that exists does not benefit workers at all. So therefore we knew that it wasn't benefiting children either. So it's like how do we begin to close that gap? And we firmly believe now we have the research to support it, that employee ownership is a way for families to increase their own individual wealth. I have a lot of differing thoughts that are mine and maybe not that of the foundation. I want to be on record for that. So I think we recording though, is that the racial wealth gap is really huge.

It's really big. But I do believe that there are opportunities for us to provide a way and a structure for families to begin building their own individual and intergenerational wealth. So you can have your child have dance lessons or participate in sports or doing the quality of life thing so that you can afford a home that's not infested. You can not have to sit at the table and say, who gets paid today? Do I have to make a decision whether I'm going to have lights or gas that you can begin to provide the secure environment that children deserve to in order to thrive?

### **J.J. McCorvey (00:35:25)**

Thank you for that thoughtful response. I want to go to some of the challenges. We obviously have seen evidence that employee ownership can yield some pretty impactful results, but implementing it just involves a lot of different barriers and I think it's a really interesting area to explore. So Sean, I want to come back to you. I looked at some research from the National Center of Employee Ownership that talks about young employees of color and which I think Robynn mentioned earlier how young employees of color who participate in ESOPs make considerably more in income than those who don't. They also have 80% greater net household wealth, they stay at their companies longer. They're also retirement benefits that are more. So what do you see as the big challenges in using ESOPs or other forms of employee ownership to realize these kinds of gains for more employees and how can we address those challenges?

### **Sean-Tamba Matthew (00:36:44)**

Yeah, great. So I think we touched on a number of these topics throughout the conversations earlier today and yesterday about awareness, about employee ownership, about access to capital and what needed to bring to bear in these transactions. But I want to touch on one particular item that's very important as it relates to minority owned businesses. And as Evan mentioned earlier, there's been a disconnect between the employee ownership space and the minority business advisor, business owner ecosystem, and the work that they're doing at Project Equity is a great step and to help build that out. Another piece as Melissa mentioned earlier, with Apis & Heritage Capital Partners, they just recently made a proposal to the National Minority Supplier Development Council with respect to one of their portfolio companies, which is 100% ESOP owned, to get that company certified as a minority-owned business.

And to date, there is no standard or process or procedures for doing that for wholly ESOP owned companies. And obviously when you're thinking about this and the potential abuses that are out there, you need to carefully go through that process. So with the NMSDC has been doing with Apis & Heritage in our team is to help think through that process, what those steps look like. They've been very well receptive because they see two benefits. One is the benefit to worker owners of color because these businesses tend to own over index for minority employees. The other piece of it is preserving the wealth that's been built in these minority communities too. Because when you're talking about a minority owned business that's certified and that's driving a lot of their revenue through because of the fact that they're a certified owned business.

In the NMSDC context, we're talking about private certification. So working with major corporations, maybe like a Comcast or a Prudential or whatnot, and their supplier diversity program. Those businesses are often forced when they're looking to trade, when they're looking to exit to take a bit of a haircut because of the risk that buyers see out there with respect to, well, if we lose the certification status because the new owners are not members of a minority group, so what do we do? So one of another benefit of that is getting a certification process in for employee-owned companies so that you get to maintain that certification, means that you get to preserve those inflows of revenue from that come from those sources.

So one of the benefits of the work that's being done that Project Equity, that that Rutgers and Kellogg Foundation are promoting is that instead of that being buried and WeBank, like I mentioned earlier, has had this certification process already built in place, but it's not necessarily very well popularized. Now we have the tools to get that out there and promoted more by doing it with the Kellogg Foundation process online and whatnot. So I think that to me is one of the big hurdles that over the next hopefully several months. We can get resolved and get out there to help build on some of the momentum that we're seeing with Project Equity and others and trying to get into that, that Black and minority business on our ecosystem.

**J.J. McCorvey (00:40:16)**

Yeah. I'm glad you mentioned Project Equity because that's a good segue way. So Evan, what are some of the challenges that you're finding with the Black employee ownership initiative? Are you sensing some of the same issues that Sean just mentioned?

**Evan Edwards (00:40:35)**

Yeah. The challenges are manifold. I think chief among them has been, or was I think at least until we started approaching this work, is that in general, I think that there was a lack of awareness of historical Black cooperative economics and how they have been impactful to the good for Black communities for generations. To that end, we partnered with, I mentioned this before with Morehouse College and specifically Dr. Cynthia Hewitt, who leads their International Center for Labor studies to develop a research paper that would elevate the historical nature of Black cooperative economics, but then also in working with us indicate a way forward. And this work is intended to help to get through some of the barriers in terms of understanding how it is that these models have some historical precedent and have some currency going forward.

Quite frankly, we have in this country and our business ethos, the hero founder, and that happens to be the case amongst Black-owned businesses as well. And because we have a level of focus on Black-owned businesses, again with their preponderance of Black workforces, we've had to breakthrough with Black business owners on how it is that employee ownership represents value to them. In the near term, we know that workforces that have an ownership stake are more productive and provide a long-term benefit because many Black business owners have thought of their businesses as a paycheck but not as an investment and so haven't necessarily viewed their succession or exit strategy down the road.

So those are just a couple of barriers that we've had to break through. And again, our partnership with Morehouse, not just with this International Center for Labor Studies, we also are working with the Morehouse Entrepreneurship and Innovation Center to activate students at the university who are already engaged with working with Black businesses in Atlanta to go out and start to talk about employee ownership and employee ownership as a succession or productivity strategy for those business owners. So we're doing a bunch of stuff to try to break through. I could go on and on about the challenges we've identified them and now the blocking and tackling for us is to break through.

**J.J. McCorvey (00:43:39)**

Thank you. Sarah, you flipped at something earlier that I think Evan did too, about just employee awareness about employee ownership and what are the options available to you. I have worked at pretty big companies and I have friends who work at pretty big companies and they are pretty substantial programs that support employee ownership, but they're for a lot of reasons don't feel readily accessible. I've been at this for a minute now, so to still need a financial advisor or to ask one of my friends, "Hey, did you participate in your company's blah, blah, blah." So there's clearly still a gap there when it comes to, okay, I'm at this company and there's a program, what do I do? What do you think about ways to circumvent that and just make the opportunity more visible for minority employees?

**Sarah Keh (00:44:55)**

Yeah. It's a great question and definitely a persistent challenge whether we're talking about smaller businesses, and that's why we support organizations like Project Equity that is doing marketing and communications campaigns, which sometimes may not see that short-term value, especially as a funder, but we know the long-term value that's going to have in seeding these ideas and making sure that people are aware. But even at companies as large as Prudential, we have 40,000 employees and I'll say a few of my team members just recently learned that they have the ability to purchase stocks at a discounted price for Prudential and own part of the company. So that's just a challenge all around because there's so much information out there, whether you're working for a small business or to a large company, but then also when you're just thinking about your individual financial health, the concept of owning a stock or an equity option or anything in the company can be scary because you don't know. You hear about stock market downturns, you hear about people losing a lot of money.

So educating individuals on the importance of understanding your company financials, why you should have agency in it, why you should have a voice in how the company has shaped the culture and the environment, it's a challenge all across the board. And I think it just takes persistence, communications, it takes working and partnering with organizations that are trusted by the community, looking at organizations that may not be in your sphere. Because I remember when Project Equity came first to us with Morehouse, we were like Morehouse College, are they interested in employee ownership? But they are a very well trusted, credible institution in the city of Atlanta. So really looking for those unique partnerships that may not be in that space.

And then I'll say, even though I'm not good at it at all, but social media is really, really important. We know the younger generations, YouTube, TikTok, Instagram, those are the ways that are getting people information out there. So even as a company when we're talking about financial health, we have partnered with TikTok influencers who are getting the message out there about why it's important to think about building and saving and why you should be thinking about your retirement. And that should be similar for employee ownership as well too, because we know this work has been being done for decades, but we still need to raise awareness and help educate individuals on why this is important and how it can benefit themselves.

**J.J. McCorvey (00:47:14)**

Thank you. Great answer. I think just again, as a Black person who grew up in the South, I think there's also just a stubborn risk that comes with growing up in a minority household where there's something wary sometimes about stocks and you want me to what with my money? So I think there's an education component, but also just normalization component, at least speaking from my background, obviously not all Black folks. Jeanne, as someone who supported employee ownership through different strategies, I'm curious how you've seen the field evolve over time. Looking forward, we've talked a lot

about the challenges, but what are some of the challenges that you think that leaders and employee ownership have surmounted and what has given you the encouragement to keep going in this field?

**Jeanne Wardford (00:48:30)**

I think that this is really a very exciting time. I think you're right. We have some big challenges. We have big challenges like private equity, so that's one that where we're looking at the important role they really play in society today and that their focus is to maximize short term profits, but in employee ownership is about sustainability. So that's where we're trying to keep our eye on the target to say that this is what's important is that we want to keep our jobs in communities, we want to keep the services that are provided. We want to keep them in communities because that really is actually what makes up the fabric of America, our communities. So I think employee ownership keeps his eye on that.

Our go-to right now is Evergreen. And there are others also that we heard from earlier today about how it gives employees some agency, some really great feelings about owning a part of this, seeing the progress and profits that they can make, and then actually knowing that they'll be able to have a living wage or a better wage to take care of their families. And those are the things to give hope. When we went to Evergreen and we talk with the workers, the woman actually cried and she said, "I've been working here five years and I got six months left to pay and my house will be paid off."

Also, the driver who said, "When I came, my driver's license was suspended, but they helped me get my driver's license back. They helped me unpack some of the baggage that I brought to this job," because we all have some suitcases that we carry around, whether it's for us or our family, we all do, and we know particularly that in the African American community, we carry a little bit more luggage if we are a little bit ahead in our family so try and make things work. And employee ownership helps to do that. So I think that we just keep our eye on the prize that we've continued to focus on this, that we continue to say that this is what America is really all about because this is given each citizen is share. Did you get that, Joseph?

**J.J. McCorvey (00:51:10)**

I love that. Thank you. Definitely applause worthy. I want to have a quick follow up on, you mentioned private equity. I'm curious, we've seen a lot of headlines about the impact on of private equity on, again, communities of color, in the business world, on startups. Curious as private equity becomes more powerful, when you think about the employee ownership field, do you have thoughts on how to insulate it or bolster it as it as private equity grows and has more influence and so many aspects of our American society?

**Jeanne Wardford (00:52:00)**

Yes. First time I start off in saying that, one of my colleagues is a math person. So she said to me, "Do you know how long it takes to spend a trillion dollars?" Does anybody know? You spend a million dollars a day, it'll take you 2,700 years. So when we look at about five to 6 trillion right now floating around in private equity, that's a big challenge right there. But we can chip away at that if we educate people and get people to understand how it's going to be a longer term benefit for them. And that business owners who don't understand it, lawyers who don't understand it, accountants who don't understand it, they say, "Just take private equity and take the haircut." Like Sean said, get pennies on the dollar and then we'll just open up a Halloween store and then the real estate will be vacant after then. That's what happened.



I'm telling the truth. I want to see how many people have Halloween stores in their community. Look, okay, look almost everybody here. And we know that there was a really big chain, there was a Toys R Us there was a Sears, there was a Payless shoe, there was a chain there that was really providing needed services in communities. So we now know what happens is that the short term term profits have been winning out over longer term benefits. But I think when people understand what the longer term benefits are and that we have to continue educating, continue talking, continue sharing the strategy, demystifying the process, because everybody, when they hear about employee ownership, they're like, "Well, what is that and what does that really mean?" But as business owners begin to understand that they can leave a legacy in communities, that the jobs will be there, they'll be sustained because once they make that commitment in that community and get the benefits of employee ownership, the jobs have to stay there if they want to continue to get it.

So we have to really, and also working with municipalities like the work that Dow has worked, done Democracy at Work has done with educating men municipalities and saying, "This contributes to your economic development bottom line." These are businesses that you have here. They're not going to pick up and leave and go to a southern state that says, "We are not going to tax you on this and we're going to give you these benefits." So it's to your advantage to continue to support and promote this with businesses. So we think this is a big opportunity, but I'm telling you what creates change in communities are small groups of people working together. And I think that's what we have to continue to do with employee ownership.

**Sarah Keh (00:54:55)**

J.J., can I just quickly ask?

**J.J. McCorvey (00:54:56)**

Yes.

**Sarah Keh (00:54:58)**

I'll just say quickly because you'll hear from Anna-Lisa in the afternoon who's from Ownership Works, but we all know the issues with private equity, but they're not going away and we have to figure out a way to work with them. And that's exactly what Ownership Works is doing. They're working with private equity firms to deploy employee ownership programs, to implement them, execute, to make sure that they're at with Fidelity and that the workers are receiving all the benefits necessary and the supports. So I just want to plug that, and you'll hear from Annalisa in the afternoon, but just finding ways to make sure that other industries and sectors are aware of this.

**Jeanne Wardford (00:55:32)**

That is an important point that she brought up, that they are coming to talk about that this afternoon. So one of the things that we really are trying to get them to think about is that when they sell, that doesn't eliminate the employee ownership structure. And that's the key piece about how we continue to support this type of model and not go back to disenfranchising employees.

**Sean-Tamba Matthew (00:55:57)**

That that's a fantastic point. I think another point to think about is these private equity funds aren't coming up with this capital on their own. They're getting it from LPs, from investors who are looking for a return. And I think the thing that I'm excited about in the space between the Employee Equity Investment Act, which just got introduced a few weeks ago, creating a new pool of capital that would be used to invest in employee-owned companies, ESOP owned companies, to help build and promote employee ownership that way.

But also looking at firms like Apis & Heritage Capital Partners, the Toronto group folks like Social Capital Partners up in Canada, those who are looking to pull capital to invest in employee-owned businesses and to make sure that they sustain employee ownership for those long-term returns. And I think that's a really important part and when you hear about the trillions of dollars of dry power that's out there, I think part of the conversation has to be, well, how do we take those pools of capital and show the incredible work that employee ownership owned companies have done at generating returns for the employee owners, getting investors to buy into that to help to create more employee owners that way as well.

**J.J. McCorvey (00:57:10)**

Great. And one more question on this topic of some on these barriers and getting the message of ESOPs out there, Evan, I think you've thought a lot about the marketing and messaging strategies to popularize and mainstream the idea of employee ownership. What more needs to happen to socialize it and make it more of the vernacular when it comes to ESOPs?

**Evan Edwards (00:57:44)**

Yeah. That's where the rubber meets the road when employee ownership has been normalized such that the national business ecosystem is executing EO transactions on the regular. To that end, we see raise awareness, educate and activate. So the raise awareness piece is a lot of us in this room are doing, we're trying to do it both broadly and narrow casting to certain groups like through Black employee ownership, to really elevate the benefits of employee ownership to workers, to business owners, to communities, to business advisors. The business connectors are a really key group. Those are the trusted voices, the influencers of business owners. And we talked to a couple of hundred business owners a year, many more business advisors, and by and large, they're unaware of employee ownership. They may have heard of ESOPs, co-ops EOTs generally not particularly familiar with. So for us, it's making sure that those folks are aware.

So we're leading on an EO equals campaign. Shout out Candida. Thank you very much, Diane. We're doing a lot of work with the localities that we're partnered with to elevate employee ownership through their communication streams. To Sarah's point, we are embracing social media. We've always embraced social media, but we are developing more content that speaks directly to the advisor class so that we start to embed in their consciousness. We understand they need to see messages 3, 4, 5, 6, 7 times before it really starts to resonate and stick. So all of that is part of the normalization such that five to 10 years down the line, we'd like to see three and 10 business transactions be to employee owned companies.

**J.J. McCorvey (00:59:49)**

Love it. So now we're going to have a little fun, not that this hasn't been fun, it's been great. So we're going to have a lightning round of big ideas, and I'm going to give each of you 60 seconds to just give us one final takeaway for the audience, something that you have not been able to touch on in this

conversation. It can be your big idea for making employee ownership more accessible for minorities, or let's just go there making every corporation employee owned. So let's start with Sarah, 60 seconds.

**Sarah Keh (01:00:30)**

60 seconds on my big idea. I would say let's start with younger generations. We talked about the fact of students. We have a investment program that we just launched with HBCU students of getting them invested into the stock market, but having them educated, whether it's at college or high school, about employee ownership opportunities and how they could be the best ambassadors. We know young people get the message out really well, and so how do we leverage them to help educate their parents and their community members?

**J.J. McCorvey (01:00:59)**

Wow. That was really quick and good. Thank you. Jeanne, you need more time, but okay. Okay. Let's go to Evan.

**Evan Edwards (01:01:14)**

I got a million big ideas. I think that it's really important for us. I'll go back to what I was just talking about, to again, raise awareness, educate and activate. And the ideas that I have around those three pillars are seeing us really invest in employee ownership and messaging and employee ownership in the way that so many other models gain currency in our culture. 20 years ago, very few people understood about venture capital and venture backed companies, and now it's part of our vernacular. So my big idea is let's figure out how to message employee ownership so that it embeds in our national vernacular the way that you can jump on the elevator with somebody and talk and mention venture capital and they'll have some inkling of what that's about.

**J.J. McCorvey (01:02:30)**

I love that. Jeanne, you're ready?

**Jeanne Wardford (01:02:35)**

Okay, here it goes. My big idea is I think we should eliminate all the barriers. I think we should just throw them out. We should just say, once the minority, if you get your designation, you are, if the same group of people, not like this 51% rule. I think we should throw all those things out. I think we should give them the same advantages that we give really big corporations in this country that they should be able to jump through the loopholes as well.

**J.J. McCorvey (01:03:08)**

Amen. I'm sure a lot of people would be happy with your big idea. And lastly, just Sean.

**Sean-Tamba Matthew (01:03:16)**

Yeah. So I think my big idea is to build off of the big ideas that have been put out there over the last several years, building off of the work that we've done with the Kellogg Foundation and Rutgers to build out and get into the minority business advisor community. When we think about the diversity of the employee ownership space, it's a great and very welcoming group, but it's not a very diverse group. So thinking about how we bring in lenders of color have, try to work to hire more attorneys and investment bankers of color so that we can tap into those networks that those people might be entrenched in to help build that out. And then also looking at the models, like seeing the incredible work that the A&H is in the Toronto's and the others of the world, and the new impact investing group and helping to go to fund two and fund three for those funds.

And then merging models. I mean, you mentioned Evergreen cooperatives in my hometown of Cleveland, Ohio, and which is a worker cooperative focused a model where they're transitioning businesses to employ ownership, but looking to merge it with some of the other models that we see out there, like ESOP holding companies like Empowered Ventures and whatnot, and making something maybe a little bit more locally based that leverages the power of an ESOP in that context and does a lot of the work that Evergreen does in terms of empowering workers and things of that nature. So I think the big ideas are actually here already and it's just building out them out and seeing them through over the next many years.

**J.J. McCorvey (01:04:53)**

Awesome. I think we are ready for some questions.

**Jeanne Wardford (01:04:57)**

Can I say one?

**J.J. McCorvey (01:04:58)**

Yeah.

**Jeanne Wardford (01:04:59)**

One more thing is that I just want all of you who are doing this research and putting pen to paper, don't stop. This is the momentum that has propelled us to where we are today. I mean, you are so vital to this movement because every time we bring this up, they say, "Well, how do you know that?" And I can pull out a paper, whether it's Nancy's paper, Joseph's paper, Robynn's Paper, or Melissa, Tanya, I can pull it out and it helps get my point across. So please keep up the good work and thank you so much.

**J.J. McCorvey (01:05:44)**

We have one question back here.

**Ken Baker (01:05:47)**

Ken Baker from New Age Industries. I wasn't able to mention this yesterday, but I think it relates to this idea of awareness and some of the problems that we're having to getting this message out. The PA CEO, Kevin McPhillips and I, we've been toying with this idea of advertising and we actually started doing advertising on NPR local Station, WHYY in Philadelphia. So we have a couple sessions that we had, and it was proven with data that the website blew up when we advertised. And Kevin's done a great job with different messages, what different message really resonates and what actually drew more people to the website to get more information. So I submit to you that at least with what we're doing with the state centers, we're trying to message this thing and get the right message out and get the awareness going. I don't have a question. I'm sorry.

**J.J. McCorvey (01:07:04)**

No, thank You. I think that's a great point.

**Ken Baker (01:07:06)**

Once again, I don't have a question.

**J.J. McCorvey (01:07:09)**

Any of you have thoughts on advertising as a solution?

**Sarah Keh (01:07:13)**

I think it's a great idea.

**Evan Edwards (01:07:16)**

About six years ago, NPR's Marketplace did a piece on an early Project Equity feasibility client company called Urban Ore in Oakland. That piece is still up at our website. To your point, that one piece almost blew up our website and organization, the amount of attention and the way that it elevated the profile of our work, it was one of the seminal events that really helped to propel us forward. So we know advertising works, it's why every social media company is trying to gather all of our data so they can advertise to us. So we got to figure out how to advertise more.

**J.J. McCorvey (01:08:07)**

I would just add to that, I think there are opportunities to... As a journalist, people always ask me, what's the best way to pitch? Well, how do I pitch a story to you? And I always tell them especially if you have research or a product launch or something like that, try to find ways to tie it to what's happening in the news. What's the general tenor on certain issues on the economy, on wealth building, on inflation. I think my first encounter with a lot of the research that Dr. Blasi and Maureen and their colleagues have done was through a story about the lack of access to stock options for minority employees. So I can't remember exactly what the news story that it was tied to, but I think as a result of that, that piece did really well. So sometimes it's organic exposure too, and not just paid advertising.

**Maureen Conway (01:09:20)**

Two more questions very quick.

**J.J. McCorvey (01:09:21)**

Yeah. Okay. Two more questions very quick.

**Speaker 10 (01:09:28)**

Hi. Thanks so much for all the information. I was wondering if you could talk a little bit more about the research on the racial equity impacts of cooperatives.

**Maureen Conway (01:09:39)**

And can you just take the next question and then take answers?

**J.J. McCorvey (01:09:44)**

Sorry. Say it one more time.

**Maureen Conway (01:09:45)**

Is there another question that you want to take and then we'll go to panels?

**J.J. McCorvey (01:09:48)**

Yeah. So you're going to answer that one.

**Melissa Hoover (01:09:51)**

I mean, I can. You want answer?

**J.J. McCorvey (01:09:52)**

Okay, go ahead.

**Melissa Hoover (01:09:57)**

Briefly, there is a body of research on the racial equity impacts of worker co-ops, and I was remiss and not mentioning and framing the beginning of the conversation with this giant in the field, Jessica Gordon Emhart, who wrote a book called *Collective Courage*, which recovers the history of Black cooperation going back to slavery and immediately after emancipation, and I think is related to some of the work, I want to draw a historical line to what you all are doing with connecting to the Black business community. That her research shows business ownership as a strategy, but also as a connection to movements for liberation.

So I should have mentioned that earlier. It's like the foundational work in the field, collective courage, but there's also more, and there's also more recent work that connects worker cooperatives and looks in comparison to ESOPs as well. So if they want to honor the whole range of strategies, we're focused on ESOPs today. But there is a rich body of research around worker co-ops, which often more explicitly aimed at fostering racial and gender equity.

**J.J. McCorvey (01:11:12)**

Okay. One more question right here.

**Jeanne Wardford (01:11:21)**

We have one right here.

**J.J. McCorvey (01:11:21)**

I got it.

**Mary Alexander (01:11:22)**

Okay. Dr. Mary Alexander, Institute for Academic Management. I just wanted to point out the, or just make a comment regarding the private equity. And you talked about five to \$6 trillion that's out there. I've not heard mention of the 1.6 trillion spending power that Black America has. That's important. And as you mentioned, Morehouse and HBCUs, I would invite you to approach the White House Initiative on HBCUs for their conference. That's major. And if you want to advertise and market, I think that's starting there and I can make that connection for you.

**J.J. McCorvey (01:12:02)**

Appreciate that. Thank you very much. Well, thank you all for giving your time and just providing such thoughtful answers. I really enjoyed this personally. I think our audience did too. And that's it for the panel. Thank you.

**Jeanne Wardford (01:12:18)**

Thank you.